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SOURCE 1953 Ching-chi Nien-pao (1953 Economic Yearbook), pp 51-54.

CHINA'S PRIVATE INDUSTRIES IN 1952

Comment: This report summarizes an article entitled, "New China's Private Industries Have a Future for Wide Development," by Nai Hui published in the pro-Communist 1953 Ching-chi Nien-pao (the 1953 Economic Yearbook) on 5 February 1953. The report gives data on the development, growth, and government aid of private industries in China.

A. Development of Private Industries

The 1951 statistics on Shanghai, Tientsin, Peiping, Wuhan, Canton, Chungking, and Sian, show that the number of private concerns in these cities increased 20 percent over 1950. After the Five-Antis Movement in 1952, there was an even greater increase.

In Canton, by the end of October 1952, there was an increase of 2,000 private firms, with a total capital of 88.9 billion yuan, over December 1951. In the autumn of 1952, over 500 new factories opened in Canton with a total capital of about 10 billion yuan. Also in the autumn of 1952, over 100 new factories opened in Tientsin; this created employment for 4,800 workers.

The development of China's private industries is evidenced by the increase in their production. As compared with 1951, Canton private industrial production in 1952 showed the following increases: matches, 34 percent; batteries, 38 percent; flashlights, 35 percent; new drugs (presumably new on the market), 108 percent; manufactured drugs (as opposed to herbs), 68 percent; woven goods, 74 percent; and dyed goods, 48 percent. As compared with September 1952, Shanghai private industrial production in October 1952 showed the following increases: cement, 27 percent; fountain pens, 9 percent; matches, 20 percent; and undershirts, 12 percent. As compared with 1951, the 1952 Shanghai wool yarn production increased 230 percent and car tires, 95 percent.

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The Peiping Municipal Industry and Commerce Bureau conducted a survey which showed the total value of private industrial production in Peiping for April 1952 as 47.1 billion yuan; for May 1952, 65.6 billion yuan; and for October 1952, 101.6 billion yuan. As compared with May 1952, the August 1952 Chungking private industrial production showed the following increases: matches, 73.91 percent; cotton prints, 151.36 percent; and soap, 17.24 percent.

B. Growth of Private Industries

Using 1950 as the base year, the value of commodities sold by private industries in 1951 was 130 percent. In 1952, this is expected to reach 170 percent. The following table shows the 1951 and 1952 sales of major products using 1950 as the base year:

	<u>1951 (%)</u>	<u>1952 (%)</u>
Foodstuffs	--	271.28
Cotton cloth	--	245.76
Cotton thread	131.90	171.43
Coal	115.80	141.86
Kerosene	108.90	262.67
Salt	142.35	152.39
Tobacco	112.06	149.41

As compared with December 1951, Canton private business transactions in October 1952 showed the following increases: salt products, 43 percent; herbs, 114 percent; egg and egg products, 13 percent; and fresh fruit, 95 percent. As compared with the fall of 1951, Tsinghai private business transactions increased 14.1 percent for the same period in 1952. Other provinces such as Shensi, Kansu, and Ninghsia also showed similar increases in business activities.

C. Government Assistance in the Development of Private Industries

1. From March to June 1952, the government purchased twice as much goods from private industries as compared with the same period in 1951. From January to October 1952, total government purchases and orders totaled 599.5 billion yuan.

2. Government Loans to Private Industries

During the first half of 1952, the People's Banks loaned 2.94 times as much money to private industries as compared with the same period in 1951. According to incomplete statistics, the Tientsin People's Bank loaned one trillion yuan to private industries from May to November 1952; the Shanghai People's Bank loaned over 500 billion yuan to private industries from March to June 1952; and the Canton People's Bank loaned 612.2 billion yuan to private industries from January to October 1952.

3. Government Supervision of Private Enterprises

Since October 1952, private concerns of the various administrative areas regulated their businesses in accordance with the directive issued by the Committee of Finance and Economics of the Government Administration Council. The policies put into effect included:

- Regulating prices, determining the policies of management of production, transportation, and sales.
- Regulating and dividing the industrial control of public and private enterprises.
- Eliminating restrictions which obstruct rural and urban commodities exchange and private industrial operations.

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